



ARIZONA STATE RETIREMENT SYSTEM

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Paul Matson
Director

SUMMARY OF THE MEETING OF THE ARIZONA STATE RETIREMENT SYSTEM INVESTMENT COMMITTEE

HELD ON
Tuesday, October 13, 2009
2:30 p.m.

The Investment Committee (IC) of the Arizona State Retirement System (ASRS) met at 3300 N. Central Avenue, 14th Floor Conference Room, Phoenix, Arizona 85012. Mr. Tom Connelly, Chair of the IC, called the meeting to order at 2:33 p.m., Arizona Time.

Call to Order; Roll Call; Opening Remarks

Present: Mr. Thomas Connelly, Chair
Mr. Christopher Harris, Vice-chair
Mr. Lawrence Trachtenberg

Excused: Mr. Jim McLaughlin

A quorum was present.

Mr. Dave Byers, Chairman of the Board was also present.

1. Approval of the Minutes of the July 27, 2009 and September 14, 2009, Regular Session IC Meeting

Motion: Mr. Chris Harris moved the minutes of the July 27, 2009 and September 14, 2009, Regular Session IC meeting be adopted as presented. Mr. Larry Trachtenberg seconded the motion.

By a vote of 3 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

2. Presentation, Discussion, and Appropriate Action Regarding the IMD Investment House Views Dashboard

Mr. Dokes, Chief Investment Officer, introduced the topic and provided the IC with a verbal update of the Investment Management Division's (IMD) current Investment House Views, as well as any changes that have occurred since the last update and review of the ASRS Investment Market Value Report. He briefly discussed the current economy and IMD's view on the economy, stating indicators have shown slight signs of improvement. Mr. Dave Underwood, Equity Portfolio Manager, briefly discussed the equity market and Mr. Al Alaimo, Fixed Income Portfolio Manager, discussed the fixed income market.

3. Presentation, Discussion, and Appropriate Action with Respect to Updated Information of the Costs Related to Private Investment Performance Measurement

Mr. Paul Matson provided an update on the costs associated with private investment performance measurement.

4. Presentation, Discussion, and Appropriate Action Regarding Arizona State Retirement System (ASRS) Asset Allocation Study (Part 3)

NEPC, the IC and IMD staff have been evaluating the existing ASRS asset allocation policy over the last several months to identify opportunities to enhance the ability of the ASRS to achieve its Total Fund rate of return investment goals and objectives.

The material presented was a joint project between the ASRS and NEPC. The presentation contained data, analyses and a proposed ASRS asset allocation policy schematic, which will be presented to the Board at the October 16, 2009 meeting.

Motion: Mr. Harris moved to recommend to the Board that they approve the ASRS Asset Allocation Policy Schematic (Exhibit A in the attached presentation), which contains policy targets/ranges for the ASRS broad asset classes, investment strategies, passive/active allocations and performance benchmarks for the ASRS asset classes and Total Fund.

Mr. Trachtenberg seconded the motion.

By a vote of 3 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

5. Presentation, Discussion, and Appropriate Action Regarding Director's Asset Class Committee Update

Mr. Dokes provided the IC with an update regarding the activities that have occurred and are anticipated to occur with regards to the ASRS Private Equity Committee (PEC), Real Estate Committee (REC), Opportunistic Investment Committee (OIC) and Public Equity/Fixed Income Markets Committee (PMC).

6. Future Agenda Items

1. Discuss the commodities markets and the various strategies to consider and evaluate regarding commodities implementation in ASRS's Asset Allocation policy.
2. The CIO to provide a brief overview of the National Association of State Investment Officers (NASIO) meeting which he recently attended.

7. Call to the Public

No members of the public requested to speak to the IC.

The meeting adjourned at 4:07 p.m.

Respectfully submitted,

Andriana Valentino, Secretary

Date

Gary R. Dokes, Chief Investment Officer

Date